

We need to go much further, clearly, but that reduction is sure a lot better than no reduction. At the same time, our plan would reduce the number of uninsured by 31 million. It would reduce the number of Americans who are uninsured and, at the same time, we will cut the Federal budget deficit. So we are doing both.

This bill reins in costs through changes in spending, reforms how providers deliver health care, and it changes the tax treatment of health care. Savings from this bill are estimated to total \$106 billion in 2019. The CBO, Congressional Budget Office, which we all rely upon, expects that, in combination, it would increase 10 to 15 percent in the next decade; that is, savings growth, creative savings would grow by that much. That is what CBO says. That is a strong rate of savings. Those are all provisions to control the excessive growth in health care spending.

Our plan also reevaluates the tax treatment of health care. The current Tax Code includes numerous health care subsidies and incentives. The current tax treatment of certain health care expenses encourages people to spend more on health care than they need to. Why? Because there is no limit under the law, none; that is, all employer-provided health care benefits in America today are totally tax free. The more the benefits are, if a company wanted to provide not only a Cadillac policy but diamond and gold benefits—great benefits—it is not needed tax free. That tends to encourage excessive health care spending. These indirect health care costs totalled nearly \$200 billion in 2008. That makes health care the largest Federal tax expenditure. Health care today is the largest Federal tax expenditure. Our laws changed about 60 years ago and moved in that direction, limiting subsidies for expensive insurance plans. Our bill limits incentives to overspend on health care. Our bill will help to slow the growth of health care spending.

Also, the CBO, in a letter they sent to the Congress yesterday, concluded there is about—this provision, the tax on so-called Cadillac plans, would result in a reduction in premiums those persons would otherwise pay—a reduction of, I think, about 5 to 7 percent. There has been a lot of concern in this body and beyond this body that that provision—the Cadillac plan provision—would raise costs for those folks who have those plans. The CBO concluded that the premiums for those kinds of plans would be reduced, I think, by 5 to 7 percent, rather than compared with current law. Several parts of our plan have the effect of reducing costs. I mentioned excess tax on high-cost insurance premiums, and that is a powerful one.

Our plan also caps flexible health savings accounts. It puts a cap on them so it is not unlimited. There is no cap, so the Tax Code tends to encourage excessive use of that provision.

Our plan would also conform with the definition of qualified medical expenses, the definition used by the itemized deduction for medical expenses. That, too, will help.

Reducing existing tax expenditures for health care costs is one of the best ways to slow the growth of health care spending. We could use our code, all the tools available. Our goal is not only to reduce costs but also improve quality. There are many provisions in the bill that accomplish that result, which would improve the quality of health care. A lot of people hear us talk about how costly health care in America is today. It is costly—too costly. There is a lot of waste. We are enacting provisions to cut out the waste.

I sense some Americans are thinking: Gee, maybe they are going to cut my Medicare benefits and reduce the quality back there in Washington, where they are worried about excessive health care costs. The exact opposite is the case. All the provisions in here enhance the quality of health care. The list is very long. One that immediately comes to mind is additional spending for primary care doctors. We all know they are underpaid in America. They are not taking Medicare patients, and they are going out of practice, especially in rural areas. This legislation adds 10 percent additional payment to primary care doctors in each of the next 5 years. That will help primary care doctors continue to practice.

I might mention that health information technology will also help improve quality. There are lots of demonstration projects and pilot projects to improve quality through bundling, care organizations, reining in excessive readmission rates some hospitals have. We also have an outfit that compares how drugs work compared with other procedures. All that is going to help address quality.

I want folks to know that while we are reducing costs—that is true because costs have to be reduced—we are also increasing the quality of health care in America. There are many other incentives in this bill that I don't have time to mention tonight that accomplish that result.

In response to the excise tax on high-cost insurance, insurance companies will offer lower cost plans that fall under the thresholds. I think that is one of the reasons why premiums for those folks will fall. This will give consumers a lower cost alternative. These plans will still have the minimum level of benefits that will be required by law under the health care system.

Other changes to the tax treatment of health expenses will also help individuals make more cost-effective health care decisions. For example, our plan would require employers to tell their employees the value of their health insurance.

That reminds me two of the other provisions for increasing transparency so hospitals tell people what they

charge for various procedures. I think the same should also apply to physicians so people have a better idea what they will pay or their insurance company will pay for these procedures.

As I said, our plan will require employers to tell their employees the value of their health insurance. This will help people to know how much they are actually spending.

I mentioned changes to flexible savings accounts, health savings accounts, and the definition of "medical expenses." That will all help. It will also help to reduce costs by increasing competition. That has not been mentioned enough on the floor. This bill increases competition. We all know that in too many of our States, there are too few health insurance companies. In my State of Montana, Blue Cross/Blue Shield provides at least half the market. There is another company that is basically the rest. In some States, Blue Cross has the entire market. It is wrong. There is not enough competition. The exchange we are putting in place will encourage competition.

Do you know what else will encourage competition? That is all the insurance market reforms—all of them—telling companies they cannot deny coverage based on a preexisting condition, telling companies they cannot rate according to health status, dealing with rules in the States, which means when you go to buy insurances—especially as an individual—there will be competition based on price. Companies will basically offer many of the same products, but they cannot deny coverage for preexisting conditions. The effect of that will be prices should come down because there will be more competition when insurance companies base it on price.

Then there is the public option. That is another addition. That is in this bill. We don't know if it will or not. There are a lot of ways we help provide competition. It will help more competition, and transparency will help more competition. Competition is going to help bring down the costs.

Our bill will reduce costs also by reforming health care delivery system—I mentioned a lot of that already—including how we pay for doctors.

The bill is balanced. It finds savings in health care outlays—savings that are realistic, that make sense. It looks to reduce health tax expenditures. That is a fancy term for deductions. The bill reduces the Federal deficit in the first 10 years. That point needs to be driven home. This bill reduces the Federal deficit in the first 10 years and the subsequent 10 years will have a positive effect bringing down the budget deficit. In fact, CBO says the second 10 years of our plan will cut the deficit by a quarter of a percent of the gross domestic product. That is about \$450 billion. That is nearly $\frac{1}{2}$ trillion in deficit reduction.

We need to remember the cost of doing nothing is unacceptable. Basically, we have two choices in life: try